

OFFICIAL STATEMENT

MOJAVE WATER AGENCY IMPROVEMENT DISTRICT NO. 1

San Bernardino County, California

\$1,750,000

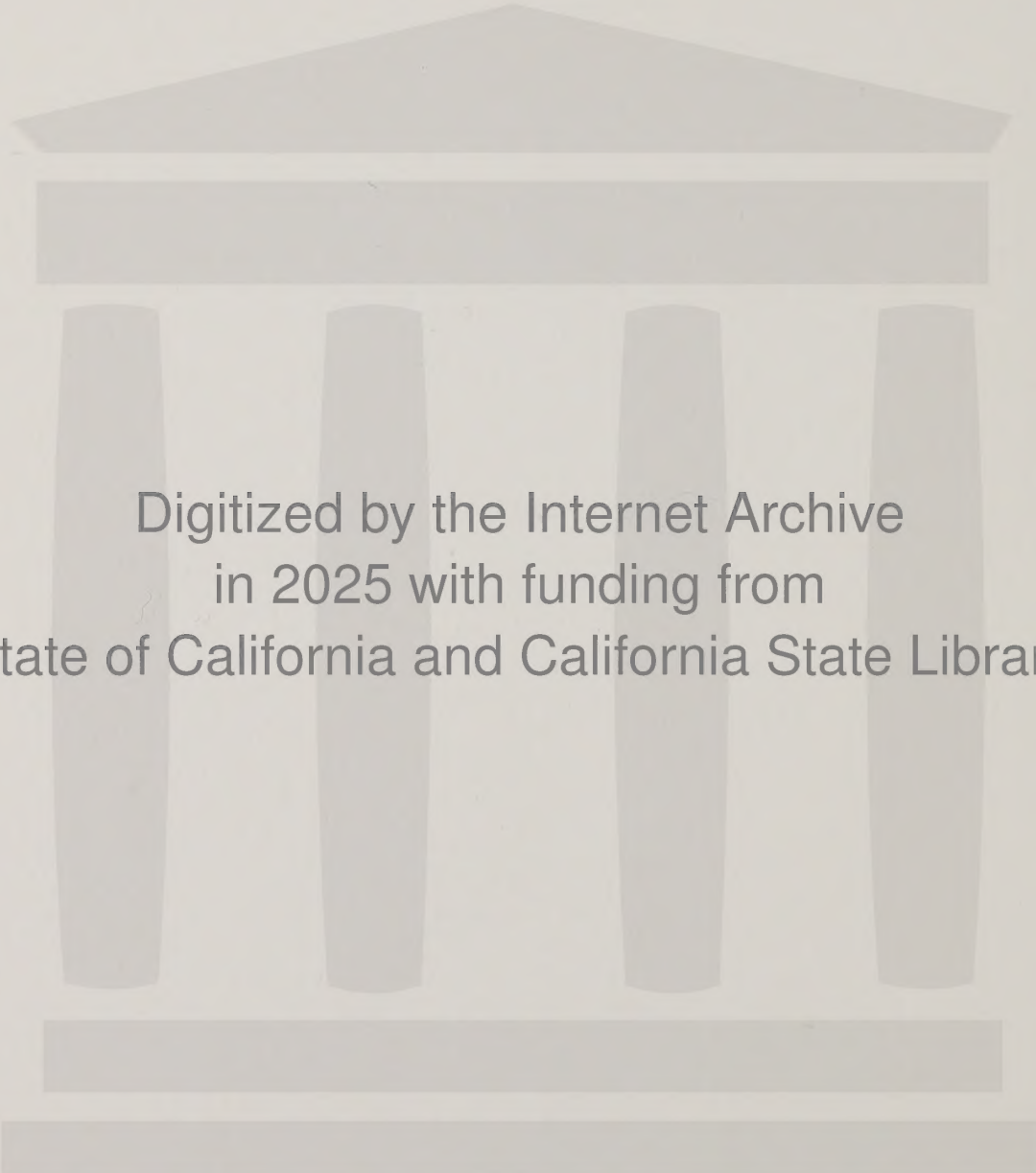
1975 Wastewater Bonds
(General Obligations)

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Bids to be received by the Secretary of the Mojave Water Agency
at 11:00 A.M., Tuesday, April 22, 1975 at the Office of the Agency,
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**MOJAVE WATER AGENCY
IMPROVEMENT DISTRICT NO. 1**

San Bernardino County, California

BOARD OF DIRECTORS

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Glenn R. Hartman, Vice-President

Olin C. Halstead, Treasurer

Howard Harsh

Glenn R. Gaines

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Beverly J. Lowry, Secretary

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Edward Taylor, *Agency Counsel*

[Stone & Youngberg, municipal
financing consultants]
Sewage Disposal
San Bernardino co,
water treatment "
Investments Pub. secur.
Public Works Finance San Bern. co

PROFESSIONAL SERVICES

O'Melveny & Myers, Los Angeles

Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc., Los Angeles

Financing Consultants

Brown and Caldwell, Pasadena

Consulting Engineers

Crocker National Bank, Los Angeles

Paying Agent

The information contained in this Official Statement was prepared under the direction of the Board of Directors of the Mojave Water Agency by Stone & Youngberg Municipal Financing Consultants, Inc., financing consultants to the Agency.

All of the following summaries of the statutes, resolutions and project reports are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

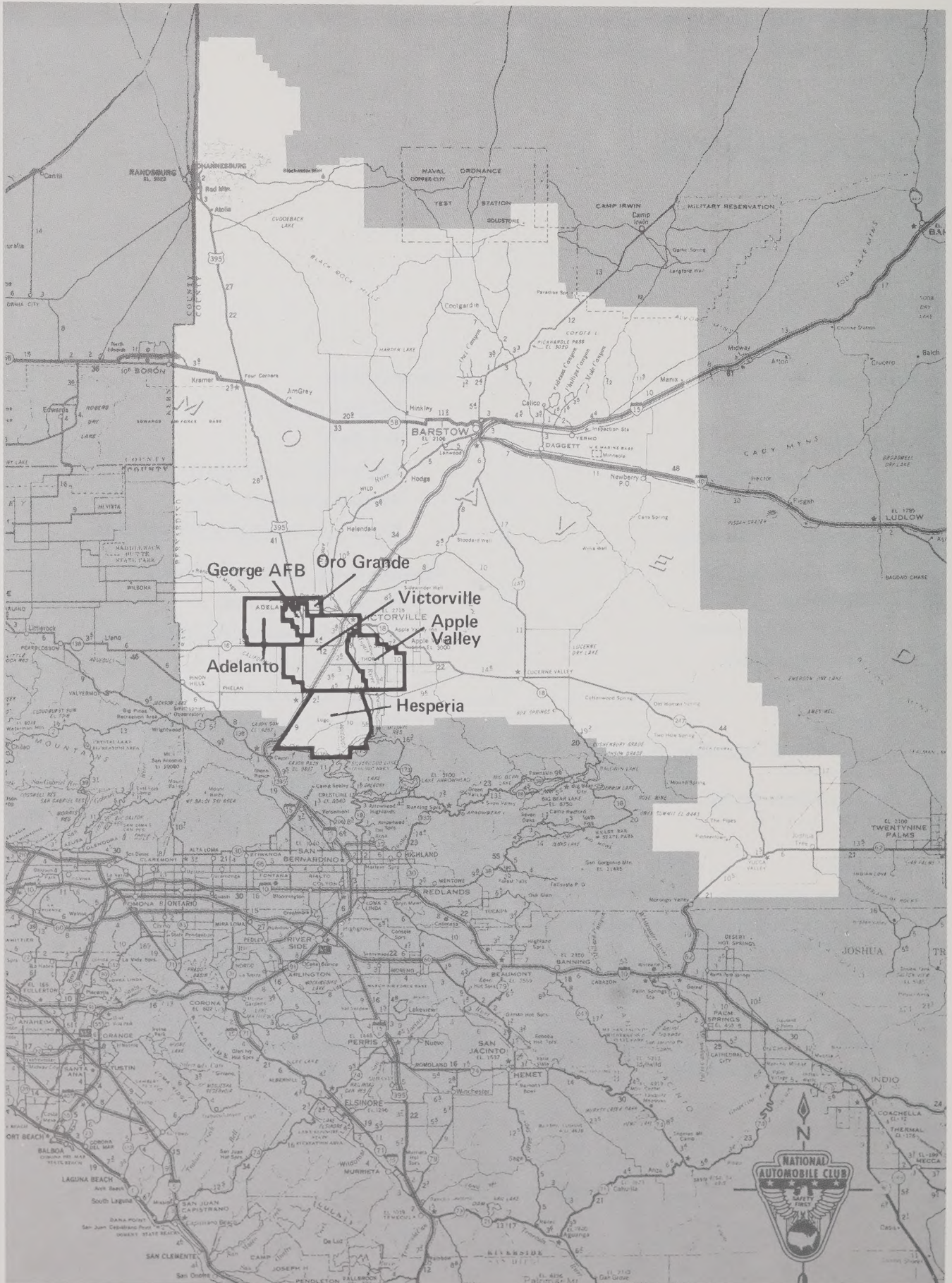
The Official Statement contains estimates and matters of opinion which are not intended as representations of fact. All estimates, statements and assumptions in this Official Statement have been made on the best information available, and are believed to be reliable and correct, but no representation whatsoever is made that such estimates, statements and assumptions are correct or will be realized. This Official Statement is not to be construed as a contract with the purchasers of the bonds.

THE DATE OF THIS OFFICIAL STATEMENT IS MARCH 25, 1975.

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Vicinity map showing Mojave Water Agency and project area.

INTRODUCTION

The Mojave Water Agency serves an area of approximately 4,800 square miles in the Mojave High Desert region of western San Bernardino County. Barstow, the largest city, has a population of 18,300 and is a major transportation hub and center of agricultural production along the Mojave River. Victorville (population 12,450), the second largest city, is located 35 miles north of San Bernardino and 32 miles southwest of Barstow on the Mojave River. Victorville is the commercial center for the Victor Valley.

Improvement District No. 1 covers 167 square miles in the south central portion of the total area served by the Mojave Water Agency. It is located in a sector generally referred to as the Victor Valley, centering on the City of Victorville, gateway to the High Desert. In addition to Victorville, communities in the District include the incorporated area of Adelanto, and the unincorporated communities of Apple Valley, Hesperia, Oro Grande, and Spring Valley Lake, a development initiated by Boise Cascade Corp. George Air Force Base is located within District boundaries. Estimated District population of approximately 45,000 represents about 80 percent of the total population in the Victor Valley.

Interstate highways I-15 and I-40 traverse the area, resulting in the development of extensive motor truck terminal facilities. Main line rail service is provided by Southern Pacific, Santa Fe and Union Pacific.

The economy of the Victor Valley is based primarily on tourism, government, manufacturing, poultry, agriculture, and mining. There are three major cement producers in the area. George Air Force Base, eight miles northwest of Victorville, accounts for a significant share of regional income, both from military contracts and local payrolls.

The purpose of the project is to provide a regional wastewater treatment and disposal facility for the communities within Improvement District No. 1. The treatment and disposal facilities will be constructed in the first phase. In addition, gravity sewers, force main and pumping stations will be constructed to intercept the wastewater discharges from the communities of Oro Grande, Victorville (including Spring Valley Lake) and George Air Force Base which currently have collection sewers. The existing treatment and disposal facilities serving these communities will be abandoned. The facilities to be con-

structed in the second stage will consist of interceptor sewers and pumping stations required to connect the presently unsewered communities of Apple Valley, Hesperia and the City of Adelanto to the regional system.

The estimated project costs for the facilities to be constructed in the first phase are \$15,121,000 to be financed by Federal and State grants of \$10,681,000, a contribution of \$2,871,000 from George Air Force Base and \$1,569,000 from proceeds from the sale of the current bond issue. The balance of the bond proceeds, \$181,000, will be used to meet some of the interim financing requirements of the project during construction and to meet some of the local share of costs associated with improvements to be constructed in the second stage.

The \$1,750,000 principal amount of Mojave Water Agency 1975 Wastewater Bonds for Improvement District No. 1 are being issued pursuant to a resolution adopted by the Board of Directors of the Agency on March 25, 1975, and under provisions of the Mojave Water Agency Law of the State of California. The bonds represent the total authorization of bonds approved at an election held on May 22, 1973. The bonds are general obligations of Improvement District No. 1 and the Agency is obligated to levy ad valorem taxes upon all taxable property (exclusive of personal property) within Improvement District No. 1 for payment of principal and interest. The 1974/75 assessed valuation of taxable property (exclusive of personal property) within Improvement District No. 1 is \$125,759,815.

THE BONDS

Authority for Issuance

The \$1,750,000 principal amount of Mojave Water Agency 1975 Wastewater Bonds for Improvement District No. 1 are general obligations of the Improvement District being issued pursuant to a resolution adopted by the Board of Directors of the Agency on March 25, 1975, and under provisions of the Mojave Water Agency Law of the State of California.

Pursuant to Section 53541 of the Government Code of the State of California, the bonds will be issued in place of an equal principal amount of authorized but unissued bonds bearing a maximum interest rate of 7%. The bonds represent the total authorization of bonds approved at an election held on May 22, 1973.

Sale of Bonds

Sealed bids for the purchase of the bonds will be received and opened by the Secretary of the Board of Directors of the Agency on Tuesday, April 22, 1975, at 11:00 a.m. (PST) at the office of the Agency, 14343 Civic Drive, Victorville, California. It is expected that the bids will be referred to the Board of Directors for action at a meeting to be held later that day at the Agency office. Details of the terms of sale are contained in the official Notice Inviting Bids adopted March 25, 1975.

Description of the Bonds

The bonds will be issued in coupon form in denominations of \$5,000, all dated May 1, 1975 (or, at the option of the initial purchaser, in fully registered form in denominations of \$5,000 or multiples thereof). The bonds will mature and become payable in consecutive order on May 1 of each year shown in the accompanying schedule of maturities.

Interest is payable on May 1, 1976, and semi-annually thereafter on May 1 and November 1 of each year. Both the principal and interest are payable at the office of the Treasurer of the Agency or, at the option of the holder, at the main office of the principal paying agent for the Agency, in Los Angeles, California, or at any other paying agent of the Agency in Chicago, Illinois, or New York, New York.

MOJAVE WATER AGENCY

IMPROVEMENT DISTRICT NO. 1

Schedule of Maturities

Maturing May 1	Principal Maturing	Maturing May 1	Principal Maturing
1978	\$125,000	1982	\$225,000
1979	150,000	1983	275,000
1980	175,000	1984	300,000
1981	200,000	1985	300,000

Redemption Provisions

The bonds are not subject to call or redemption prior to maturity.

Registration

The bonds will be issued as coupon bonds exchangeable for fully registered bonds in accordance with the provisions in the resolution providing for the issuance of the bonds.

Legality for Investment

The bonds are legal investments in California for all trust funds and of the funds of all insurance companies, commercial banks and State school funds. The bonds are eligible as security for deposits of public monies in California.

Tax Exempt Status

In the opinion of bond counsel, the interest on the bonds is exempt from income taxes of the United States of America under present Federal income tax laws and such interest also is exempt from personal income taxes of the State of California under present State income tax laws.

Legal Opinion

The unqualified opinion of O'Melveny & Myers, Los Angeles, California, bond counsel for the Agency, approving the validity of the bonds will be furnished to the successful bidder without charge and a copy of the legal opinion will be printed on the bonds at the expense of the Agency.

O'Melveny & Myers, as bond counsel, has not participated in the preparation of this Official Statement. The employment of bond counsel is limited to rendering assistance in the preparation of the proceedings and supporting certificates authorizing the bonds, to a review of the transcript of such proceedings and certificates, and to the issuance of an approving opinion in conventional form relating solely to the validity of the bonds, to the legal security for their payments and to the exemption of the interest from income taxation.

Security

The bonds are general obligations of Improvement District No. 1 of the Mojave Water Agency and the

Agency is obligated to levy ad valorem taxes for payment of principal and interest upon all taxable property (exclusive of personal property) in Improvement District No. 1.

Purpose and Disposition of Bond Proceeds

The purpose of the bonds currently being offered is to provide funds to reimburse the Mojave Water Agency for advances from its general fund made to the Improvement District No. 1 project, and to meet the local share of the costs of constructing a regional wastewater treatment and disposal system within Improvement District No. 1.

Annual Debt Service

The estimated annual debt service on the bonds, based on an interest rate of 6%, is shown in Table 1.

Table 1

MOJAVE WATER AGENCY IMPROVEMENT DISTRICT NO. 1

Estimated Annual Bond Service

Year Ending May 1	Principal Outstanding	Estimated Interest At 6%	Principal Maturing May 1	Total Bond Service
1976	\$1,750,000	\$ 105,000	\$ —	\$ 105,000
1977	1,750,000	105,000	—	105,000
1978	1,750,000	105,000	125,000	230,000
1979	1,625,000	97,500	150,000	247,500
1980	1,475,000	88,500	175,000	263,500
1981	1,300,000	78,000	200,000	278,000
1982	1,100,000	66,000	225,000	291,000
1983	875,000	52,500	275,000	327,500
1984	600,000	36,000	300,000	336,000
1985	300,000	18,000	300,000	318,000
Total		\$ 751,500	\$1,750,000	\$2,501,500

THE PROJECT

Project Description

The purpose of the project is to provide a regional wastewater treatment and disposal facility for the communities within Improvement District No. 1. The project improvements will be constructed in stages. The treatment and disposal facilities consisting of a 4 million gallon per day activated sludge treatment plant and percolation ponds will be constructed in the first phase. In addition, gravity sewers, force main and pumping stations will be constructed to intercept the wastewater discharges from the communities of Oro Grande, Victorville (including Spring Valley Lake) and George Air Force Base which currently have collection sewers. The existing treatment and disposal facilities serving these communities will be abandoned.

The facilities to be constructed in the second stage will consist of interceptor sewers and pumping stations required to connect the presently unsewered communities of Apple Valley, Hesperia and the City of Adelanto to the regional system. It is anticipated that the local jurisdictions within the latter three communities will construct their individual collection systems. The City Council of Adelanto has adopted a resolution stating its intent to proceed to construct collection sewers. The electorate within the community of Hesperia have recently authorized the formation of a county water district which would have the authority to provide both water and sanitary sewer services. A similar election to authorize the formation of a county water district is scheduled to be submitted to the electorate within the community of Apple Valley in May 1975.

Estimated Project Costs and Sources of Funds

The estimated project costs for the facilities to be constructed in the first phase are \$15,121,000 to be financed by Federal and State grants of \$10,681,000, a contribution of \$2,871,000 from George Air Force

Base and \$1,569,000 from proceeds from the sale of the current bond issue. The balance of the bond proceeds, \$181,000, will be used to meet some of the interim financing requirements of the project during construction and to meet some of the local share of costs associated with improvements to be constructed in the second stage.

Table 2 presents a summary of the estimated project costs and the sources of funds.

Table 2
MOJAVE WATER AGENCY
IMPROVEMENT DISTRICT NO. 1
Estimated Project Costs and
Sources of Funds

ESTIMATED PROJECT COSTS	
Water Reclamation Plant	\$ 5,578,000
Effluent Disposal System	1,894,000
Access Road	461,000
Stage I Interceptors	3,360,000
Stage I Pump Stations	730,000
Land	74,000
Total Construction and Acquisition Costs	\$12,097,000
Engineering, Administration and Contingencies	3,024,000
Total Project Cost	\$15,121,000
SOURCES OF FUNDS	
Federal and State Grants	\$10,681,000
George Air Force Base	2,871,000
Bond Proceeds	1,750,000
Total Sources of Funds	\$15,302,000

Operation and Maintenance Costs

A substantial portion of the annual operation and maintenance expenses are estimated to be fixed and do not vary with the quantity of wastewater treated. The estimated annual operation and maintenance costs are summarized in the tabulation on the following page.

**MOJAVE WATER AGENCY
IMPROVEMENT DISTRICT NO. 1**

Estimated Operation and Maintenance Costs

Year Ending June 30	Average flow, mgd	Operation and Maintenance Cost		
		Fixed ^①	Variable ^②	Total
1977	2.40	\$362,000	\$ 48,000	\$410,000
1978	2.49	389,000	54,000	443,000
1979	2.77	419,000	66,000	485,000
1980	3.14	450,000	83,000	533,000
1981	3.47	484,000	101,000	585,000
1982	3.54	520,000	113,000	633,000
1983	3.62	559,000	127,000	686,000
1984	3.75	601,000	145,000	746,000
1985	4.74	646,000	201,000	847,000

① Fixed cost escalated at an annual rate of 7.5 per-cent.

② Variable costs proportional to flow and escalated at an annual rate of 10 percent.

The Mojave Water Agency will not collect user charges from individual users but will contract with local sewerage collection agencies which will allocate the costs to the individual users and property owners within their respective jurisdictions.

It is estimated by Brown and Caldwell, consulting engineers to the Agency for the project, that the typical monthly sewer service charge for a single family dwelling would vary between \$3.00 in 1977 to about \$4.80 in 1984. The estimated monthly residential sewer service charges relate to the costs of operating and maintaining the regional treatment and disposal system facilities only, and do not include the costs of operating and maintaining local collection systems.

The following tabulation presents an estimate of the amount of the operation and maintenance costs which would be allocated to each community.

**MOJAVE WATER AGENCY
IMPROVEMENT DISTRICT NO. 1**

Estimated Annual Allocation of Operation and Maintenance Costs

Year Ending June 30	1977	1978	1979	1980	1981	1982	1983	1984	1985
Adelanto	\$ 0	\$ 3,590	\$ 7,320	\$ 15,940	\$ 15,170	\$ 16,100	\$ 17,060	\$ 38,290	\$ 38,640
Apple Valley	0	0	21,960	44,270	43,830	46,490	51,170	76,570	224,090
George AFB	170,830	179,350	183,020	177,080	168,590	178,810	189,500	198,930	178,690
Hesperia	0	0	0	23,020	91,040	100,140	111,810	166,820	244,690
Oro Grande	5,130	5,380	5,490	5,310	5,060	5,360	5,690	8,200	7,730
Victorville ^①	234,040	254,680	267,210	267,380	261,310	286,100	310,770	462,190	448,160
Total, user charges	\$410,000	\$443,000	\$485,000	\$533,000	\$585,000	\$633,000	\$686,000	\$951,000	\$1,142,000

①Including Spring Valley Lake.

THE AGENCY

The Mojave Water Agency was organized July 21, 1960. The prime purpose of the Agency is to import water from Northern California through the California Aqueduct. On June 22, 1963, the Agency signed a contract with the State of California for the delivery of Feather River Water which secured a supply of supplemental water. The Board of Directors of the Agency consists of eleven members. Eight of the directors are elected, seven by districts and one at large. The remaining three directors are appointed. A brief biography of each director follows:

Howard Harsh — Director of Division No. 1, elected November of 1971. This division includes a portion of North-West Barstow and of the City of Barstow, China Lake, Red Mountain and additional territory along highway 395 due North of Barstow. He is an engineer with Philco-Ford at Goldstone Deep Space Communication Complex.

Glenn R. Gaines — Director of Division No. 2, appointed March 4, 1975 to fill vacancy created by resignation of Director Kenneth McDonnell. This division includes Yucca Valley, Joshua Tree, Landers and portions of Morongo Valley. Mr. Gaines resides in Yucca Valley and is a former engineer who now owns a market in Joshua Tree.

Glenn R. Hartman — Director of Division No. 3, elected July of 1975 following a special recall election. This division includes Adelanto, Hesperia, Summit Valley, El Mirage, Phelan, George Air Force Base, and the community of Oro Grande. Mr. Hartman owns a ranch in Oro Grande and is a business representative for International Union of Operating Engineers.

Olin C. Halstead — Director of Division No. 4, elected November of 1973. This division includes Victorville and a portion of Apple Valley. Mr. Halstead also serves as councilman for the City of Victorville.

Jess L. King — Director of Division No. 5, elected November of 1974 following a special recall election. This division includes Apple Valley, Lucerne Valley, and Johnson Valley. Mr. King resides in Apple Valley.

Beverly J. Lowry — Director of Division No. 6, elected November of 1973. Mrs. Lowry resides in Barstow. She is currently serving as Field Secretary for State Senator Stiern.

William Orchard — Director of Division No. 7, elected November of 1971. This division includes a portion of East Barstow, Newberry Springs, Dagget and Harvard. He is in the lumber brokerage business.

William A. Porter — Director at Large, elected November of 1974. This directorship includes the entire Agency. He is a realtor and owns a ranch in Oro Grande.

John H. Russell — Appointed by the County Flood Control District in November of 1973. Mr. Russell, a building contractor, resides in Lucerne Valley.

Robert D. Harris — Appointed by the Mojave Desert Resource Conservation District in November of 1973. Mr. Harris is Manager of Continental Telephone in Barstow.

Stanford C. Shaw, Chairman of the Board — Appointed by the water purveyors within the Agency. Mr. Shaw, a former State Senator, resides in Newberry Springs.

The Mojave Water Agency serves an area of approximately 4,800 square miles in the Mojave High Desert region of western San Bernardino County. Barstow, the largest city, has a population of 18,300 and is a major transportation hub and center of agricultural production along the Mojave River. Victorville (population 12,450), the second largest city, is located 35 miles north of San Bernardino and 32 miles southwest of Barstow on the Mojave River. Victorville is the commercial center for the Victor Valley.

Agriculture, mining, tourism, and manufacturing are important business elements in the Agency's service area. Long-established government installations undergird the economy of the region. George Air Force Base, near Victorville, and the Marine Corps Supply Center, near Barstow, are major defense facilities providing civilian employment opportunities and strong support for local business. Northeast of Barstow is the Goldstone Deep Space Com-

munication Complex, one of 16 satellite tracking stations throughout the world. Goldstone is operated for NASA under the systems management and technical direction of the Jet Propulsion Laboratory of Pasadena. About 650 civilians, most of whom commute from Barstow, Victorville, or adjacent communities, are employed at six stations in the Goldstone complex.

Interstate highways I-15 and I-40 traverse the area, resulting in the development of extensive motor truck terminal facilities. Main line rail service is provided by Southern Pacific, Santa Fe and Union Pacific. Santa Fe has started construction of a new \$38 million freight car classification yard at Barstow, a key element in that city's new Redevelopment Area. Southern Pacific's Palmdale-Colton cut-off, bypassing Los Angeles, traverses the southern portion of the MWA service area. The California Aqueduct, which conveys water from Northern California to Southern California, also traverses the southern part of the MWA territory.

Improvement District No. 1

Improvement District No. 1 covers 167 square miles in the south central portion of the total area served by the Mojave Water Agency. It is located in a sector generally referred to as the Victor Valley, centering on the City of Victorville, gateway to the High Desert. Elevations in the District range from 2,600 to 3,900 feet, with a mean elevation of 3,000 feet.

In addition to Victorville, communities in the District include the incorporated area of Adelanto (population 2,310), and the unincorporated areas of Apple Valley (1970 population 6,702), Hesperia (1970 population 4,592), Oro Grande, and Spring Valley Lake, a development initiated by Boise Cascade Corp. George Air Force Base is located within District boundaries. Estimated District population of approximately 45,000 represents about 80 percent of the total population in the Victor Valley.

FINANCIAL DATA

Assessed Valuation

Assessed valuations for the Mojave Water Agency and Improvement District No. 1 are established by the San Bernardino County Assessor, except for public utility property which is assessed by the State. According to the State Board of Equalization, San Bernardino County assessed valuations for the 1974/75 fiscal year average 23.1 percent of full cash value, while public utility property is assessed at 25 percent of full value by the state.

As shown in the accompanying summary of assessed values, the District has a 1974/75 assessed valuation of \$125,759,815, slightly more than 35 percent of the total assessed valuation of the Mojave Water Agency.

Because the District's tax base reflects land and improvements only, the usual state-reimbursed exemptions (homeowners and business inventory) do not apply in computation of the tax base.

MOJAVE WATER AGENCY AND IMPROVEMENT DISTRICT NO. 1

Assessed Valuations 1974/75 (Land and Improvements)

Tax Roll	MWA	ID No. 1
Secured	\$312,777,080	\$116,883,295
Utility	38,314,460	8,028,680
Unsecured	3,349,415	847,840
Total	\$354,440,955	\$125,759,815

Assessed valuations of the Mojave Water Agency for the previous six tax years are shown below. The increase in assessed values during this period was more than 58 percent.

MOJAVE WATER AGENCY

Assessed Valuations (Land and Improvements)

Tax Year	Assessed Valuation
1968/69	\$215,001,100
1969/70	233,761,840
1970/71	247,799,950
1971/72	283,088,700
1972/73	308,840,570
1973/74	340,765,070

Tax Rates

The County of San Bernardino provides for the assessment and collection of taxes in the Mojave Water Agency service area. Taxes appear on the same tax bill as county and school district taxes, are payable November 1 and February 1, and become delinquent on December 10 and April 10, except taxes on properties assessed on the unsecured roll. Unsecured taxes are assessed on March 1, and become delinquent the following August 31.

The Mojave Water Agency Act allows the Agency to levy a tax of 10¢ per \$100 of assessed valuation on land and improvements for the administrative expenses of the Agency and 45¢ per \$100 of assessed valuation on land only to cover the State Water Supply Contract payments. If the 45¢ tax does not cover the full contract payments, an additional tax subject to statutory limitations, if any, may be levied against land and improvements.

The 1974/75 assessments for the Agency service area are as follows:

Water Supply Contract Fund: to meet contract payments, 45¢ per \$100 assessed valuation on land only, and 17¢ per \$100 assessed valuation on land and improvements. These rates are the same as for 1973/74.

General Fund: for administrative expenses of the Agency, 7.5¢ per \$100 assessed valuation on land and improvements. In 1973/74, the rate was 9¢.

Improvement District No. 1 will levy its first taxes in the 1975/76 tax year, therefore it does not appear on the 1974/75 tax rolls of the County Tax Collector.

Tax Code Areas 1211 (Victorville), 5453 (Apple Valley), and 7901 (Hesperia), all located within Improvement District No. 1, have a combined 1974/75 assessed valuation of \$57,619,215, or about 45.8 percent of the total 1974/75 assessed valuation of the District. The following tabulation presents all tax rates in these three code areas for the 1974/75 tax year.

IMPROVEMENT DISTRICT NO. 1 1974/75 Tax Rates in Principal Code Areas

Tax Agency	Tax Code Areas		
	1211	5453	7901
San Bernardino			
County	\$ 3.1466	\$ 3.1466	\$ 3.1466
Schools	5.8691	6.4591	5.4383
County Service Areas	.0686	.2038	.0693
Fire District .....	.3166	.4319	.5334
Flood Zone 4 .....	.3000	.3000	.3000
Park District .....	.6000	.4544	.4576
Sanitary District ...	.4400	—	—
Total Rate, All Property	\$10.7409	\$10.9958	\$ 9.9452
Land Only Rates:			
Soil Conservation ..	.0200	.0200	.0200
Mojave Water Agency .....	.4500	.4500	.4500
Land and Improvement Rates:			
Lighting District ..	.3200	—	—
Mojave Water Agency .....	.2450	.2450	.2450
Total, All Rates ..	\$11.7759	\$11.7108	\$10.6602

Tax Levies and Delinquency

Although the Improvement District has never levied a tax, an indication of tax collection experience in the geographical area comprising the District can

be secured from reference to the history of tax collections for the school districts in the area. Shown below are the elementary school districts serving the District and the record of secured tax collections since 1969/70.

RECORD OF TAX COLLECTIONS

School Districts Serving Improvement District No. 1

School District	1973/74 Net Secured A.V.	Percent of Available Taxes Collected				
		1969/70	1970/71	1971/72	1972/73	1973/74
Adelanto	\$29,626,320	95.2	95.6	93.4	86.5	91.9
Apple Valley	37,957,400	95.1	94.7	94.2	93.6	90.9
Hesperia	29,805,380	95.3	95.5	95.1	98.4	89.9
Oro Grande	8,968,880	97.7	97.6	96.9	100.2	97.4
Victor	66,526,332	95.7	95.1	94.0	93.1	90.2

Source: County Superintendent of Schools.

Receipts and Expenditures

In 1972/73, an advance of \$22,151 to the District from the Agency's General Fund covered initial legal, election, engineering, and overhead expenses. An additional advance of \$70,405 was made in 1973/74.

In addition to the costs advanced by the Agency, Improvement District No. 1 has incurred expenses for engineering services for the design of the wastewater reclamation facility as follows:

Brown and Caldwell —	
For Engineering services	\$428,694
Pafford and Associates —	
For surveying and mapping	65,845
Converse, Davis and Associates —	
For soils investigation	81,320
Total	\$575,859

The Improvement District has agreements with the engineering firms whereby payment for these

services will be deferred until the bonds are sold. Interest is being charged on these bills at the following rates:

Brown and Caldwell	6½ %
Pafford and Associates	Prime Rate
Converse, Davis and Associates	12%

Interest accrued to June 30, 1974, amounting to \$6,551, is included in the above figures.

Table 3 presents a five-year summary of receipts and expenditures of the Mojave Water Agency. For the period, revenues exceed outlays by a substantial margin.

Fund balances of the Mojave Water Agency at June 30, 1974 are as follows:

General Fund	\$ 396,177
State Water Contract Fund	754,230
Total	\$1,150,407

Table 3

MOJAVE WATER AGENCY

Summary of Receipts and Expenditures

	1969/70	1970/71	1971/72	1972/73	1973/74
Revenues					
Property Taxes — General Fund	\$ 78,159	\$ 241,499	\$ 210,382	\$ 271,393	\$ 300,636
Property Taxes —					
State Water Fund	627,739	739,765	1,150,235	1,401,371	1,312,316
Interest	20,555	18,145	22,259	27,499	60,698
Other	1,196	5,503	54,925	1,652	4,475
Total	\$ 727,649	\$1,004,912	\$1,437,801	\$1,701,915	\$1,678,125
Expenditures					
Administrative and General ...	\$ 102,182	\$ 97,163	\$ 142,507	\$ 185,386	\$ 213,951
State Water Contract	567,686	685,143	960,550	1,321,387	1,321,188
Water Rights	74,173	66,743	20,403	39,457	55,067
Capital Outlay	53,277	5,085	2,185	8,746	758
Other	39,524	41,785	18,453	(48,030)①	(6,815)①
Total	\$ 836,842	\$ 895,919	\$1,144,188	\$1,506,946	\$1,584,149

①Includes credits for expenses applicable to Lucerne Valley water pipeline, as follows: 1972/73, \$79,184; 1973/74, \$23,832.

Direct and Overlapping Bonded Debt

Table 4 shows a summary of the direct and overlapping bonded debt of Improvement District No. 1.

Table 4

MOJAVE WATER AGENCY IMPROVEMENT DISTRICT NO. 1 Statement of Direct and Overlapping Bonded Debt

Estimated Population	45,000	
1974/75 Assessed Valuation	\$137,582,260 ^①	
Estimated Market Value	\$592,952,000 ^②	
	Percent Applicable	Debt Applicable April 22, 1975 ^③
San Bernardino County	6.207%	\$ 63,001
San Bernardino County Authorities	6.207	919,567
San Bernardino Library Authority	7.829	85,728
Victor Valley Community College District	53.500-53.400	654,375
Victor Valley Joint Union High School District (1957/58 to 1960 Issues)	30.100-53.500	409,960
Victor Valley Joint Union High School District (Subsequent Issues) ..	53.400	891,780
Apple Valley School District	49.863	373,973
Hesperia School District	92.514	223,883
Victor School District	86.100	588,924
Other School Districts	Various	2,035
City of Victorville	100.000	1,135,000
Victorville City Hall Authority	100.000	730,000
Victorville County Water District	100.000	888,000
San Bernardino County Service Area No. 64	100.000	2,250,000
San Bernardino County Service Area No. 42	100.000	110,000
Adelanto Community Services District	100.000	94,000
Mojave Water Agency, Improvement District No. 1	100.000	1,750,000 ^④
Total Gross Direct and Overlapping Bonded Debt		\$11,170,226
Less: Victorville County Water District (100% self-supporting)		888,000
		\$10,282,226

	RATIO TO		
	1974/75 Assessed Valuation (All Taxable Property)	Estimated Market Value	Per Capita
Assessed Valuation	—	—	\$3,057
Gross Direct Debt	1.39% ^⑤	0.32% ^⑤	39
Gross Total Debt	8.12 ^⑥	1.88 ^⑥	248
Net Total Debt	7.47 ^⑥	1.73 ^⑥	228

① Assessed valuation of all taxable property including \$11,822,445 of personal property not subject to taxation by the Mojave Water Agency for Improvement District No. 1.

② The State Board of Equalization reports that 1974/75 San Bernardino County assessed valuations average 23.1 percent of full value. Public utility property (\$8,028,680) is reported to be assessed at 25 percent of full value.

③ Excludes sales, if any, between March 25, 1975 and April 22, 1975.

④ 1975 Wastewater Bonds to be sold April 22, 1975.

⑤ Based on assessed valuation of land and improvements only.

⑥ Based on assessed valuation of all property.

ECONOMY OF THE DISTRICT AND VICINITY

The City of Victorville is the commercial and professional center for the Victor Valley. Its present population of 12,450 represents an increase of 1,605 from the 10,845 persons reported in the April 1970 U.S. Census. The city was incorporated in 1962, hence population data are not available for previous census periods.

In addition to the communities of Adelanto, Apple Valley, Hesperia, Oro Grande, Spring Valley Lake and Victorville — all located within the District — the Victory Valley includes the unincorporated communities of Helendale, Phelan, and Lucerne Valley.

The economy of the Victor Valley is based primarily on tourism, government, manufacturing, poultry, agriculture, and mining. There are three major cement producers in the area. George Air Force Base, eight miles northwest of Victorville, accounts for a significant share of regional income, both from military contracts and local payrolls.

Adding to government employment at Victorville are a new \$1.4 million, 43,000 square foot county office building, now nearing completion, and a new California Highway Patrol Facility, already completed. The county administration offices will employ approximately 60 persons, while the CHP facility will require a lesser number.

Agricultural production on 30,000 acres in the Victor Valley was valued at \$14.7 million in 1973. Poultry farms accounted for \$12.8 million of this total.

Among the large manufacturing firms in the area are Kaiser Cement Co., Pfizer, Southwestern Portland Cement Co., Riverside Cement Co., and Stauffer Chemical Co. The three large cement plants employ nearly 1,000 persons and generate payrolls of \$15 million annually. Principal industrial employers are listed on following page.

VICTOR VALLEY

Largest Industrial Employers

Company	Product/Service	No. of Employees
Anadite, Inc.	Aluminum, titanium & magnesium milling	51-100
Jess Ranch	Turkeys, trout	101-250
Kaiser Cement Co.	Cement	251-500
Pfizer, Inc.	Lime & limestone products	200-250
Southwestern Portland Cement Co.	Cement	251-500
Stauffer Chemical Co.	Minerals	251-500
Riverside Cement Co.	Cement	101-250
Harris Transportation	Cement trucking	60
Mer-Mar, Inc.	Clocks	45

George Air Force Base

George Air Force Base is the home of the 35th Tactical Fighter Wing and its tenant units. It was established as the Air Corps Advanced Flying School in 1941, and now covers more than 4,700 acres near the City of Adelanto.

Arrival of a new squadron in 1973 boosted the number of military personnel to approximately 5,000. About 7,500 persons live at the base. Annual pay-rolls exceed \$41 million, of which more than \$4 million is paid to 610 civilians. Expenditures for supplies and equipment in 1972 were estimated at \$5.1 million. A considerable portion of this outlay supports the economy of the Victor Valley.

Commercial Activity and Development

Taxable sales transactions in the City of Victorville evidence strong growth. Volume for 1973 topped \$63 million, as shown in the summary below. Adjusted for sales of gasoline, this is an increase of 64 percent over taxable sales in 1969. Taxable sales in the city exceeded \$50 million for the first nine months of 1974, for an increase of 11.3 percent over the like period of 1973. This compares with a county-wide increase of 8.3 percent for the same time span.

Annual growth in taxable transactions at Victorville since 1969, and a breakdown of taxable sales by type of business for the 1973 year are presented in the accompanying tabulations.

CITY OF VICTORVILLE

Taxable Transactions

Year	No. of Outlets	Taxable Transactions
1969	356	\$35,667,000
1970	372	39,049,000
1971	381	43,764,000
1972*	390	53,396,000
1973	401	63,191,000
1974 (9 mos.)	418	50,930,000

* Gasoline for highway use became taxable July 1, 1972.

Source: State Board of Equalization.

CITY OF VICTORVILLE

Taxable Transactions by Type of Outlet 1973 (Thousands of Dollars)

Type of Business	Permits	Taxable Transactions
Retail Stores		
Apparel stores	13	\$ 1,751
General merchandise stores	11	7,676
Drug stores	5	1,821
Food stores	18	3,904
Packaged liquor stores	4	846
Eating and drinking places ..	41	4,461
Home furnish. and appliances	21	2,850
Bldg. matrl. and farm implmts.	6	2,692
Auto dealers and auto supplies	20	20,173
Service stations	34	6,429
Other retail stores	37	3,008
Retail Stores Totals ..	210	55,611
All Other Outlets	191	7,580
Totals All Outlets	401	\$63,191

Source: State Board of Equalization.

The recently completed Desert Valley Shopping Center in Victorville features a Sears store, supported by a major super market, a drug store, a savings and loan office, and a number of small shops. The new Safeway Shopping Center in Apple Valley includes variety and specialty shops.

An agreeable climate and numerous attractions for the visitor in the High Desert draw many people to the area. Facilities catering to tourists and vacationers, such as the world-famous Apple Valley Inn, generate a substantial volume of commercial revenue for local establishments in the Victor Valley.

Construction Activity

Building permit valuation in the City of Victorville for 1974 totaled \$5,245,000, over 52 percent greater than the total for 1973. The largest single permit, in the amount of \$1,673,000, was issued in March 1974 for the new county office building. Annual permit valuation summaries for the city since 1970 are presented in the following tabulation. Permit values are not available for unincorporated areas.

CITY OF VICTORVILLE

Building Permit Valuations

Year	Residential	Nonresidential	Total
1970 ...	\$ 789,000	\$2,765,000	\$3,554,000
1971 ...	4,602,000	4,127,000	8,729,000
1972 ...	3,523,000	2,710,000	6,233,000
1973 ...	1,183,000	2,260,000	3,443,000
1974 ...	1,268,000 ^①	3,977,000	5,245,000

①Includes 32 new single family dwellings and 26 new multi-units.

Source: Security Pacific National Bank.

Spring Valley Lake is a combined commercial, recreational and residential development located four miles south of Victorville. Boise Cascade Corp. developed over 4,000 homesites, 45 acres for R-3 use, and 18 acres for commercial use. Improvements with a direct cost of over \$27 million include a 25,000 square foot country club building, an 18-hole championship golf course, a 200 acre lake with a 60 unit marina, complete underground utilities for over 800

homesites, a five acre equestrian center, and other recreational facilities. In January 1975 Boise Cascade turned over operation of the residential properties to the property owners' association, retaining control of the country club and the golf course.

Northwest of Victorville is Silver Lakes, a similar planned community developed by Dart Industries. This property was sold to McCulloch Corporation of Los Angeles early in 1975. Dart Industries is now developing Valley Hi East, a residential and commercial development in the southeastern sector of Victorville.

Transportation and Utilities

Interstate 15, connecting San Diego and Las Vegas, passes through San Bernardino and the Victor Valley. This heavily traveled artery joins U. S. 395 in the District, linking the area with the San Joaquin Valley and Northern California.

Transcontinental train service is provided by the Santa Fe and the Union Pacific, which use joint trackage between San Bernardino and Barstow. Southern Pacific also serves the Victor Valley via its new Palmdale-Colton cut-off, which bypasses the Los Angeles area.

The Apple Valley Airport offers scheduled air service by Hughes Airwest. Greyhound Bus Lines and Continental Trailways both operate terminals in Victorville.

Utility services in the Victor Valley are provided by Continental Telephone Co., Southern California Edison Co., and Southwest Gas Corp. The Victor Valley County Water District serves Victorville, Hesperia and adjacent areas. Other water suppliers include Apple Valley Ranchos Water Co., George Air Force Base (also serves Adelanto), County Service Area 64 (Spring Valley), Southern California Water Co., and others.

Continental Telephone Co., third largest independent in the nation, employs 800 people in the area, drawing an annual payroll of \$10 million. Local plant investment of this firm exceeds \$80 million.

Community Facilities and Recreation

There are two major hospitals in the Victor Valley. St. Mary Desert Valley Hospital in Apple Valley has 73 beds, and is presently building a new surgical pavilion. Victor Valley Hospital at Victorville has 60 beds. This ten-year-old medical facility is currently adding a new administrative wing.

Financial services in the area are provided by Bank of America (5 branches), Security Pacific Bank (3 branches), United California Bank, Downey Savings & Loan, Home Savings and Loan, Sierra Savings & Loan, Santa Fe Federal Savings and Loan, and Upland Savings and Loan Association.

There are branches of the San Bernardino County Library Systems at Adelanto, Apple Valley, Lucerne Valley and Victorville.

The Daily Press is published in Victorville, and weekly newspapers are printed at Apple Valley, Hesperia, and Lucerne Valley. San Bernardino and Los Angeles newspapers are circulated throughout High Desert communities. Radio stations KAVR (AM and FM) and KCIN and a cable TV company serve the area.

The City of Victorville is the home of the San Bernardino County Fair, a five-day event held each fall. During the rest of the year, there are various convention and social uses of the facility.

The Silverwood Lake State Recreation Area, south of Hesperia, opened in 1973. The surface of the lake covers nearly 1,000 acres, with 13 miles of

shoreline. At 3,378 feet above sea level, Silverwood is the highest of the four major reservoirs that make up the \$2.8 billion California Water Project. Formed behind the 249-foot Cedar Springs Dam, the lake offers a variety of recreation for outdoor enthusiasts, including boating, sailing, swimming, fishing, water skiing, picnic areas, and equestrian trails. Overnight camping facilities will be available this year.

Education

The Victor Valley is served by eight elementary school districts, a high school district, and a community college district. There are five parochial schools in the Victor Valley. Average daily attendance for the school districts which serve the District is reported as follows by the County Superintendent of Schools:

School District	1968/69	1973/74
Adelanto Elementary	2,190	1,805
Apple Valley Elementary	1,423	1,536
Hesperia Elementary	1,232	1,607
Oro Grande Elementary	179	162
Victor Elementary	2,844	2,450
Victor Valley Jt. Un. H.S.D.	2,781	3,550
Victor Valley Comm. Coll. Dist.	831	1,621
Total	11,480	12,731

Victor Valley College, a two-year community college, occupies a 238-acre site southeast of Victorville. This institution enrolls more than 3,200 students in all divisions.

SAN BERNARDINO VALLEY

The cities of San Bernardino, Riverside, and Ontario form the core of the fifth largest metropolitan area in California, with a population in excess of 1,200,000.

The area is fortunate to have a wide variety of basic industries such as steel, agriculture, electronics, tourism, military installations, government facilities, and minerals. The only integrated steel mill on the Pacific Coast is located at Fontana, eight miles west of San Bernardino, and the area accounts for 70 percent of the raw steel output of California.

The growing sophistication of the area as a manufacturing center is illustrated by the expanding aerospace-electronics industry, once closely tied to defense markets, but now increasingly committed to commercial production. Centers of industrial employment in the Valley are San Bernardino, Fontana, Ontario, Redlands, and Riverside.

Employment

Employment patterns in the San Bernardino-Riverside-Ontario Labor Market Area are reported periodically by the State Department of Employment Development. In January 1975 this labor market supported 333,000 nonagricultural wage and salary workers, with an additional 21,900 persons employed in agriculture. Of the nonagricultural workers, more

than 25 percent were on government payrolls, largely at the state and local government level. Trade, services and manufacturing are the other leading sources of jobs. Of more than 53,000 workers in manufacturing, almost three-fourths are engaged in durable goods production. Transportation equipment and primary metals are the leading industries in this group. A summary of employment by industry throughout the metropolitan area is presented below, and a list of large employers appears on page 19.

SAN BERNARDINO-RIVERSIDE-ONTARIO LABOR MARKET

Employment by Industry

Industry	January 1975	January 1974
Manufacturing	53,600	55,100
Mineral extraction	2,600	2,500
Construction	12,800	15,000
Transportation, comm., utilities	18,800	18,600
Trade	79,800	76,200
Finance, insurance, real estate	12,000	11,900
Services	68,200	65,300
Government	85,200	81,800
Agriculture	21,900	19,600
Total Civilian Employment	354,900	346,000

Source: State Department of Employment Development.

SAN BERNARDINO-RIVERSIDE METROPOLITAN AREA**Major Employers**

Employer	Product/Service	No. of Employees
Manufacturing Employment:		
Alcan Aluminum Corporation	Aluminum mill products	750
Amax Aluminum Mill Products, Inc.	Aluminum sheet, tubing	1,100
Bourns, Inc.	Precision electro mech. instruments	1,600
California Portland Cement Co.	Cement	300
FMC Corporation	Food processing machinery	400
Hanford Foundry Co.	Steel castings	300
Kaiser Steel Corporation	Steel and iron	8,000
Kaiser Steel Fabricating Division	Steel plate/pressure vessels	500
Lily-Tulip Division, Owens-Illinois	Paper cups and containers	450
Lockheed Propulsion Company	Propellants, rocket motors	1,000
Matich Bros.	Asphalt	250-500
Muskin Corp., sub. of American Cement	Recreational vehicles	250-500
Rohr Corporation	Aerospace components	1,500
Sun Company, The	Printing and publishing	400
Superior Draperies	Draperies	250-500
Non-Manufacturing Employment:		
Central City Mall	Regional shopping center	3,000
General Telephone Company	Communications	350
Inland Center Mall	Regional shopping center	2,500
Kasler Corp.	Highway construction	250-500
Loma Linda University and Hospital	University and hospital	2,900
March Air Force Base	Defense	1,300
Norton Air Force Base	Military	11,000
San Bernardino County	County administration	2,800
San Bernardino School System	Unified school system	2,700
San Bernardino State College	State college	400
San Bernardino Valley College	Community college	700
Santa Fe Railroad	Transportation	3,000
Southern Pacific Railroad	Transportation	800
Southern California Edison Co.	Electrical — utility	600
Southern California Gas Co.	Gas — utility	250
TRW Systems Group	Research/program management	750
University of California, Riverside	Education	2,500

Agriculture

Extending about 40 miles in an east-west direction, the fertile San Bernardino Valley is a major agricultural area. It forms a part of the citrus belt of Southern California, and is the leading dairy producing area in the nation. Gross value of farm products in San Bernardino exceeded \$263 million in 1973, highest value on record for the county. There were 17 commodities with a valuation in excess of one million dollars, headed by milk and eggs. Together, these two products accounted for more than 65 percent of the total gross value of farm production in San Bernardino County in 1973.

The tabulation below presents county agricultural production values by individual years since 1970, and the table on the right shows a list of the million-dollar crops in 1973, reported by the County Agricultural Commissioner.

SAN BERNARDINO COUNTY

Million-Dollar Farm Commodities 1973

Milk	\$112,305,000
Eggs	60,172,000
Cattle and calves	21,466,000
Turkeys	9,123,000
Navel oranges	8,659,200
Grapes	7,133,000
Lemons	6,009,500
Valencia oranges	5,843,300
Alfalfa hay	5,024,000
Pullets	4,845,000
Nursery products	3,551,200
Chicken fryers	2,685,000
Grapefruit	2,269,700
Apples	1,550,000
Apiary products	1,302,200
Baby chicks	1,292,000
Chicken culls	1,022,000

SAN BERNARDINO COUNTY

Gross Value of Farm Production

	1970	1971	1972	1973
Fruit and nuts	\$13,175,200	\$ 21,453,900	\$ 21,475,400	\$ 32,534,100
Vegetables	2,639,000	2,012,000	2,058,000	2,273,000
Field crops	6,092,900	5,608,000	6,472,000	9,074,000
Seed crops	36,000	82,000	45,300	101,600
Nursery products	2,792,100	2,884,600	4,117,200	3,551,200
Apiary products	279,000	389,400	662,700	1,302,200
Livestock and poultry	27,283,000	29,657,000	30,655,000	41,786,000
Animal products	113,910,100	115,944,300	126,387,700	172,828,000
Total Value	\$166,207,300	\$178,031,200	\$192,433,300	\$263,450,100

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